

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 8045

BILL NUMBER: SB 388

DATE PREPARED: Mar 1, 2001

BILL AMENDED: Mar 1, 2001

SUBJECT: Waiver of town officer salary.

FISCAL ANALYST: Chris Baker

PHONE NUMBER: 232-9851

FUNDS AFFECTED: **GENERAL
DEDICATED
FEDERAL**

IMPACT: Local

Summary of Legislation: (Amended) This bill provides that a town officer may waive the town officer's compensation.

Effective Date: July 1, 2001.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) Currently, statute requires the town legislative body, by ordinance, to fix the compensation of its own members, the town clerk-treasurer, and the town marshal. The legislative body is required to provide reasonable compensation for other town officers and employees. The compensation of an elected town officer may not be changed in the year for which it is fixed, nor may it be reduced below the amount fixed for the previous year. The legislative body can allow town officers and employees to receive additional compensation for services that:

- (1) are performed for the town;
- (2) are not governmental in nature; and
- (3) are connected with the operation of a municipally owned utility or function.

As amended, the bill allows compensation to include all employee benefits paid to a town officer. Benefits include: life insurance, health insurance, disability insurance, retirement benefits, and pension benefits.

The impact of this proposal is indeterminable and would depend on the number of elected town officers waiving their compensation in a given year.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Towns.

Information Sources: